Annual Report





(A Delaware Corporation)

### ANNUAL REPORT 1935 FISCAL YEAR

Which Ended January 31, 1936

To be submitted to the Annual Meeting of Stockholders to be held at 1441 Broadway, New York, N. Y., on April 7, 1936.



### BOARD OF DIRECTORS

### William T. Grant, Chairman

John G. Byler Karl D. Gardner

R. A. Cunningham John M. Hancock

Howland S. Davis James L. O'Neill

Fred H. Edgecomb Benjamin A. Rowe

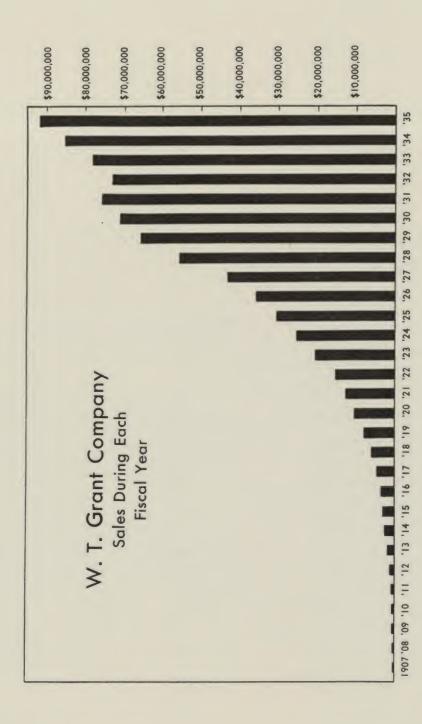
Clayton E. Freeman William B. Warner

### **OFFICERS**

Transfer Agent

Guaranty Trust Company of New York Registrar

Bankers Trust Company New York, N. Y.



Department Stores
Fourteen Forty-One Broadway
New York

March 16, 1936

### To the Stockholders:

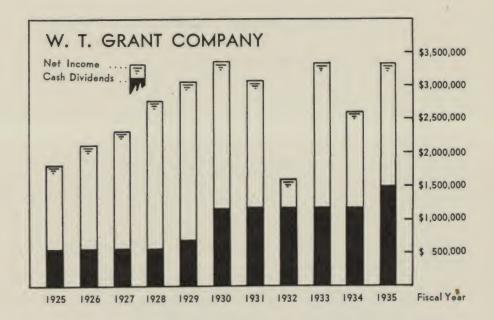
During 1935, sales of your Company were the largest in its history. Net earnings increased over the previous year and equalled \$2.78 per share on the outstanding stock. Dividends paid amounted to \$1.25 per share and the Company ended the year in strong financial condition.

### SALES

Sales for the year were \$91,981,814, an increase of \$6,912,202 or 8.13% over the preceding year. An analysis of the increase in sales appears below.

	Fiscal Year 1935	Fiscal Year 1934	Change
Sales for 457 stores open during entire year 1934.	\$89,417,316	\$84,670,281	5.61% increase
Sales for 8 new stores opened during 1934	1,240,129	399,331	
Sales for 6 new stores opened during 1935	1,324,369	-	
Total Sales	\$91,981,814	\$85,069,612	8.13% increase

With the continued improvement in sales of identical stores, sales in those stores are now above the level of 1931, but are approximately 10% below the levels of 1929.



### NET EARNINGS

Net earnings for the 1935 fiscal year were \$3,334,246 which is equal to \$2.78 per share of capital stock outstanding. In the previous year earnings were \$2,616,202 or \$2.18 per share.

During the first six months of the year, increased sales were secured but gross margins were less than the previous year and expenses were higher. It was only through increased sales that profits equalled those of the corresponding months of 1934.

During the latter half of the year, gross margins compared favorably with the previous year and expenses did not increase in proportion to sales. As a result net profit margins improved and showed an increased total profit for the year.

The table following shows profit by six months' periods compared with the previous year.

Earnings for First Six Months . Earnings for Second Six Months				1935 \$ 669,525 2,664,721	1934 \$ 658,880 1,957,322	\$ 10,645 707,399
Earnings for Year	٠	٠		\$3,334,246	\$2,616,202	\$718,044

### FINANCIAL CONDITION

On January 31, 1936, the Balance Sheet showed current assets of \$19,980,277 as compared with current liabilities of \$2,802,692. The excess of current assets over current liabilities was \$17,177,585, an increase of \$1,608,009 during the year. Cash was \$8,805,872. During the year outstanding Mortgages and Deferred Notes Payable were reduced by \$1,072,700.

### **NEW STORES**

At the end of the year the Company was operating 471 stores, six of which were opened during 1935. These new stores and dates of opening are:

March 8, 1935-Woburn, Mass.	May	25, 1935—New Kensington, Pa.
April 13, 1935—Chicago, III.	Aug.	17, 1935—Decatur, III.
May 25, 1935—New Castle, Ind.	Nov.	23, 1935—Columbus, Ohio

In the above six stores, the Company had the following capitalized investment at the year end:

Merchandise				۰	۰	٠			\$193,408
Furniture and Fixtures.									
Alterations and Improve	eme	nts	۰						105,912
Advances to Landlords									
								-	
Total									\$495.857

During the year twelve stores were remodeled or enlarged and the general appearance and condition of all stores was maintained at a high level.

Properties formerly owned by the W. T. Grant Realty Corporation, a subsidiary company, at New Bedford, Mass and Ybor City, Fla. were sold during the year at approximately their book value. In connection with the sale, the operating company leased these premises for a long term of years.

Several stores are now under lease for opening during 1936, among these being locations at Wichita, Kansas and Topeka, Kansas. Additional locations are under consideration for new stores.

### **ORGANIZATION**

Effective August 1, 1935, Karl D. Gardner, formerly Vice-President and Director of Merchandising was named Vice-President and General Manager and as such is responsible for coördinating the store operations, the buying, the advertising, and the personnel departments of the company. Alfred N. Derouin, formerly Vice-President in charge of Real Estate, resigned effective January 31, 1936.

At the mid year, the stores were grouped into eleven districts instead of six. The new grouping will secure more direct contact between the district operating executives and the store managers.

On April 3, 1934, the stockholders approved the "Executive Compensation Plan" for the period commencing February 1, 1933 and ending January 31, 1936. The Directors have approved the extension of this Plan, with certain changes in minor administrative details, for the period from February 1, 1936 to January 31, 1937 and the plan will be submitted to the stockholders at the Annual Meeting to be held on April 7, 1936 for ratification and confirmation.

The officers and directors wish to express their appreciation of the loyal and efficient work of the entire organization during the year.

One of the serious problems confronting the merchant today is the task of distributing merchandise without raising its price because of increasing costs of taxes and related expenses. The distributor is not only being called upon to absorb these higher costs which apply to its own operations, but is also obliged to collect in the retail price the tax burdens assessed against manufacturers and producers during the process of converting raw materials and labor into articles of every-day use and service.

It is our experience that the retail price of various items of merchandise has a decided effect on the quantity which consumers will buy. Higher costs inevitably lead to higher prices and as prices increase fewer goods can be bought by the public. Lower consumption means reduced production and reduced production results in more unemployment.

In addition to increased general taxes, discriminatory legislation is being fostered against large and efficient retail distributing organizations. Such legislation would result in additional burdens to be paid for by the consumer.

Your Company is exerting every effort to offset these added costs through greater efficiency in the operation of its stores, so that goods may continue to be made available to customers at the lowest price consistent with good quality and their utility value. However, beyond the results which can be secured by increased merchandising efficiency, there remains the serious threat to this country's standard of living, which must be the concern of everyone.

WILLIAM T. GRANT, Chairman.

B. A. ROWE, President.

### CERTIFICATE OF AUDITORS

March 5, 1936

To the Board of Directors and Stockholders, W. T. Grant Company, New York, N. Y.

We have made an examination of the Consolidated Balance Sheet of W. T. Grant Company (a Delaware Corporation); its subsidiary companies, W. T. Grant Company (a Massachusetts Corporation); and W. T. Grant Realty Corporation (a New York Corporation) as at January 31, 1936, and of the statement of Consolidated Income and Surplus for the fiscal year ended at that date. In connection therewith, we examined or tested accounting records of the Companies and other supporting evidence; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Cash on deposit was confirmed. Merchandise inventories as taken and certified by the management, valued at not in excess of cost or market, whichever is lower, were tested by us as to pricing and computations. The Massachusetts Corporation was guarantor of a note issued to a bank by Trustees of an Employees' Stock Purchase Fund, secured by 32,454 shares of the capital stock of the Delaware Corporation, the unpaid balance of which note amounted to \$448,257.80 at January 31, 1936. Unused balances of Import Letters of Credit issued to the Massachusetts Corporation amounted to \$538,020.79 at that date.

In our opinion, based on our examination and information submitted to us, the annexed Consolidated Balance Sheet and the related Consolidated Income and Surplus Accounts fairly present, in accordance with accepted principles of accounting consistently maintained by the companies during the year under review, their consolidated financial position at January 31, 1936, and the consolidated results of their operations for the fiscal year then ended.

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(A Delaware Corporation)

AND SUBSIDIARY COMPANIES

### CONSOLIDATED INCOME ACCOUNT

For the fiscal year ended January 31, 1936

OTHER INCOME (Net)  DEDUCT Interest paid less interest received	\$91,981,814.05 86,812,894.25 5,168,919.80 31,300.96 5,200,220.76
DEDUCT Interest paid less interest received	5,168,919.80 31,300.96
DEDUCT Interest paid less interest received	31,300.96
DEDUCT Interest paid less interest received	5,200,220.76
Interest paid less interest received	
	1,865,975.01
NET INCOME	\$3,334,245.75
For the Fiscal Year Ended January 31, 1936	
BALANCE—January 31, 1935	\$18,505,746.35
ADD:	
NET INCOME—for year—as above \$3,334,245.75	
DEDUCT:  CASH DIVIDENDS PAID  Regular quarterly dividends  April 1, 1935—25c per share \$298,838.75	
July 1, 1935—25c per share	
October 1, 1935—25c per share	
Special dividend	
April I, 1935—25c per share	
April I, 1935—25c per share	

BALANCE-January 31, 1936 . . . . . . . . . . . .

\$20,345,798.35

(A Delaware Corporation)

AND SUBSIDIARY COMPANIES

### CONSOLIDATED BALANCE SHEET

January 31, 1936

### ASSETS

CHRRENT

CURRENT  Cash	\$8,805,872.09 110,739.63 10,979,228.99	\$10 000 277 40
OTHER ASSETS  Advances to and Security Deposited with, Landlords—To be  Repaid over a Term of Years	299,588.38 7,777.28	\$19,980,277.48
Sundry Accounts, Notes, Claims and Investments; Funds in Closed Banks and Restricted Balances less Reserve	12,219.70	319,585.36
LESS: Allowance for Depreciation	6,178,724.83	
Furniture and Fixtures—at cost 6,325,379.02 LESS: Allowance for Depreciation 3,378,206.68	2,947,172.34	9,125,897.17
ALTERATIONS AND IMPROVEMENTS TO LEASED PROPERTIES .  (This amount is being written off over a period not in excess of the term of the leases involved)  DEFERRED CHARGES TO FUTURE OPERATIONS		5,428,265.60
Prepaid Taxes and Rents, Unexpired Insurance Premiums, Supplies, etc		844,970.53
		\$35,698,996.14
LIABILITIES		
CURRENT Accounts Payable	932,198.14 1,240,494.34 605,000.00 25,000.00	\$2,802,692.48
DEFERRED  Notes Payable for Lease—Due 1937 to 1938	37,500.00 7,983.32	45,483.32
REAL ESTATE MORTGAGES PAYABLE		2,275,050.00
Balance Maturing 1937-1943) RESERVE FOR REPAINTING STORES		140,525.99
Capital Stock (Authorized 2,000,000 Shares of No Par Value) Outstanding 1,195,355 Shares	10,089,446.00	
Earned Surplus (including \$15,462,538.53 earned since formation of Delaware Company in 1927)	20,345,798.35	30,435,244.35
-0		\$35,698,996.14

# COMPARATIVE CONSOLIDATED INCOME ACCOUNTS

1930	\$71,376,487 66,736,925	4,639,562	4,733,403	37,895	858,634	\$3,373,629
1631	\$75,679,203 71,118,362	4,560,841	4,612,121	116,201	964,062	\$3,107,648
1932	\$73,086,856 70,101,405	2,985,451	3,051,063	140,488	1,061,345	\$1,612,076
1933	\$78,206,119 73,022,906	5,183,213	5,195,998	159,637	1,175,871	\$3,347,175
1934	\$85,069,612	4,304,193	4,311,451	145,189	1,153,180	\$2,616,202
1935	\$91,981,814 86,812,894	5,168,920	5,200,221	122,904	1,207,451 535,620	\$3,334,246
FISCAL YEAR (Which Ends January 31 of Subsequent Calendar Year)	SALES LESS: Cost of Merchandise Sold and Operating Expenses	OTHER INCOME (Net)		DEDUCT:	Allowance for Depreciation and Amortization Provision for Federal Income Taxes	NET INCOME

# COMPARATIVE CONSOLIDATED SURPLUS ACCOUNTS

ADD: ADD: ADD: ADD: ADD: Above	GAPY TO CHAMMA CAR STREET				1 700 943	1000170	410 70E 401
21,839,992 19,762,294 18,412,676 1,494,194 1,195,355 1,195,355 1,195,355 1,1229	come for Year as Above	3,334,246	2,616,202	3,347,175	1,612,076	3,107,648	3,373,629
		21,839,992	19,762,294	18,412,676	16,321,919	15,989,133	14,079,110
COU 771 LID 771 DUD 010 001 DTC 000		1,494,194	61,193	71,229	61,063	83,935	9,795

## COMPARATIVE CONSOLIDATED BALANCE SHEETS

1930	\$4,791,015 389,320 7,187,761 69,815	12,437,911 94,862 203,892- 5,322,129 2,864,940 5,978,168 726,369	\$27,628,271	\$457,374 25,000 757,430 462,500	1,702,304	2,686,667 105,869 10,089,446 12,881,485	\$27,628,271
1931	\$4,946,518 261,126 8,205,405 78,022	13,491,071 88,153 415,768 6,048,637 3,182,999 6,100,418 599,311	\$29,926,357	\$488,001 25,000 709,879 434,500	1,657,380	137,500 24,092 3,210,500 97,596 10,089,446 14,709,843	\$29,926,357
1932	\$4,266,632 133,715 8,282,485 80,232	12,763,064 107,726 553,076 6,410,502 3,571,669 6,118,536 795,761	\$30,320,334	\$573,065 25,000 720,822 259,686	1,578,573	112,500 25,745 3,326,650 121,919 10,089,446 15,065,501	\$30,320,334
1933	\$7,151,095 125,879 8,919,159 81,764	16,277,897 76,190 477,398 6,559,380 3,234,869 5,782,103 710,274	\$33,118,111	\$554,592 30,750 1,134,271 573,427	2,293,040	196,750 7,638 3,245,492 139,653 10,089,446 17,146,092	\$33,118,111
1934	\$7,364,070 231,507 10,331,294 82,862	18,009,733 30,558 469,033 6,620,609 3,114,835 5,558,118 772,089	\$34,574,973	\$975,564 30,750 974,844 459,000	2,440,158	166,000 8,433 3,219,250 145,940 10,089,446 18,505,746	\$34,574,973
1935	\$8,805,872 110,739 10,979,229 84,437	19,980,277 19,997 299,588 6,178,725 2,947,172 5,428,266 844,971	\$35,698,996	\$932,198 25,000 1,240,495 605,000	2,802,693	37,500 7,983 2,275,050 140,526 10,089,446 20,345,798	\$35,698,996
AT END OF FISCAL YEAR (January 31 of Subsequent Calendar Year)	Cash Notes and Accounts Receivable Merchandise Inventories Cash Surrender Value—Life Insurance	Misc. Inv., Employees Acc., Rec., etc., (Net) Advances and Accounts with Property Owners Land and Buildings, Depreciated. Furniture and Fixtures, Depreciated Alterations and Improvements, Depreciated Prepaid Rents, Taxes, Unexpired Ins., etc.	TOTAL ASSETS	LIABILITIES AND CAPITAL: Accounts Payable Notes Payable, etc. Accrued Accounts Reserve for Federal Taxes (Est.)	TOTAL CURRENT LIABILITIES	Deferred Notes Payable, etc Tenants' Deposits Real Estate Mortgages Payable Reserve for Repainting Stores Common Stock	TOTAL LIABILITIES AND CAPITAL

### **GRANT STORES**

### ALABAMA

Anniston Birmingham Decatur Gadsden Huntsville Mobile

### ARKANSAS

Little Rock Pine Bluff

### CALIFORNIA

Fresno
Huntington Park
Los Angeles
Oakland
Sacramento
San Jose
Santa Barbara

### CONNECTICUT

Ansonia Bridgeport (2) Danbury Danielson Derby Greenwich Hartford Meriden Middletown Milford Naugatuck New Britain New Haven New Milford Putnam Rockville Southington South Manchester Stamford Thomaston Thompsonville Torrington Wallingford Waterbury Willimantic Winsted

### DELAWARE

Dover Milford Wilmington

### FLORIDA

Jacksonville Miami Orlando Tampa Ybor City Station

### GEORGIA

Albany Atlanta Augusta

### GEORGIA (Cont.)

Brunswick Macon Savannah Valdosta

### ILLINOIS

Alton Aurora Belleville Chicago (4) Decatur East St. Louis Elgin Galesburg Jacksonville Joliet Peoria Quincy Rockford Springfield West Frankfort

### INDIANA

Evansville
Fort Wayne
Gary
Hammond
Indianapolis
Michigan City
New Albany
Newcastle
South Bend

### IOWA

Clinton Davenport Ottumwa Waterloo

### KANSAS

Hutchinson Pittsburg

### KENTUCKY

Louisville Paducah

### LOUISIANA

Alexandria Baton Rouge Monroe New Orleans Shreveport

### MAINE

Bangor Brunswick Calais Fort Kent Gardiner Lewiston Old Town Portland Sanford Skowhegan Van Buren

### MARYLAND

Baltimore Cambridge Crisfield

Adams

### MASSACHUSETTS

Allston Arlington Athol Beverly Boston Brockton Cambridge Chelsea Chicopee Clinton Codman Square Danvers Dorchester East Boston Easthampton Everett Fall River Fitchburg Framingham Franklin Gardner Gloucester Great Barrington Haverhill Holyoke Hudson Hvannis Hyde Park Jamaica Plain Lawrence Leominster Lynn (2) Malden Marlboro Mattapan Medford Melrose

Natick Needham New Bedford (2) Norfolk Downs North Adams North Attleboro Norwood Palmer Peabody Pittsfield

Middleboro

Milford

Pittsfield
Plymouth
Reading
Rockland
Roslindale
Roxbury
Salem
Somerville
South Boston
Stoneham

Taunton

### MASSACHUSETTS (Cont.)

Uphams Corner Sta.
Wakefield
Waltham
Ware
Watertown
Webster
Weymouth
Winchendon
Winthrop
Woburn
Worcester

### MICHIGAN

Detroit (2)
Grand Rapids
Hamtramck
Kalamazoo
Lansing
Muskegon
Saginaw
St. Joseph

### MINNESOTA

Minneapolis Rochester St. Paul

### MISSISSIPPI

Jackson

### MISSOURI

Kansas City St. Joseph St. Louis Springfield

### NEBRASKA

Lincoln Omaha

### NEW HAMPSHIRE

Berlin Concord Derry Dover Franklin Manchester Nashua Portsmouth Rochester

### NEW JERSEY

Bayonne
Bloomfield
Burlington
Camden
Collingswood
Dover
Hackensack
Hammonton
Hoboken
Jersey City (3)
Millville
Mount Holly
Newark (3)

### NEW JERSEY (Cont.)

Passaic
Paterson
Rahway
Riverside
Somerville
Trenton
Union City
Vineland
West New York

### **NEW YORK**

Albany Batavia Bath Bay Shore, L. I. Bayside, L. I. Beacon Binghamton Bronx (4) Brooklyn (2) Buffalo (7) Canandaigua Carthage Catskill Corning Corona, L. I. Dansville Elmira Far Rockaway, L. I. Flushing, L. I. Freeport, L. I. Geneva Glen Cove, L. I. Glens Falls Gouverneur Great Neck, L. I. Hempstead, L. I. Herkimer Hudson Falls Huntington, L. I. llion Jamaica, L. I. Jamestown Johnstown Kingston Lackawanna Lockport Lynbrook, L. I. Mechanicville Medina Middletown New York City (5) New Rochelle Niagara Falls Norwich Oneida

Oneonta

Penn Yan

Port Chester

Port Jervis

Oyster Bay, L. I.

Patchogue, L. I.

### NEW YORK (Cont.)

Poughkeepsie Riverhead, L. I. Rochester Rockville Center, L. I. Rome Schenectady Seneca Falls Syracuse (2) Tonawanda Utica Watertown Warsaw Westfield Wellsville Woodhaven, L. I. Yonkers

### NORTH CAROLINA

ORIH CAROLI
Charlotte
Concord
Elizabeth City
Goldsboro
Greensboro
Greenville
Hickory
Kinston
Raleigh

### NORTH DAKOTA

Fargo

### OHIO Akron

Barberton Bellaire Bellevue Cambridge Canton Circleville Columbus Conneaut Dayton Delphos East Liverpool Elyria Kent Lima Mansfield Marion New Philadelphia Newark Norwalk Portsmouth Steubenville Toledo Youngstown

### OKLAHOMA

Muskogee Oklahoma City

### PENNSYLVANIA

Altoona Bangor

### PENNSYLVANIA (Cont.)

Berwick Blairsville Bloomsburg Bristol Butler Carlisle Chambersburg Columbia Conshohocken Corry Danville East Liberty Elizabethtown Ellwood City Erie Freeland Greenville Hazleton Homestead Honesdale Huntingdon Jeannette Johnstown Lancaster Lock Haven McKeesport Mahanoy City

Middletown Milton Mount Pleasant Mount Union New Kensington

Palmerton Philadelphia (4) Philipsburg Phoenixville Pittston Pittsburgh Pottstown Pottsville

Oil City

Sayre Scranton Shamokin Shippensburg Sunbury Titusville Towanda

Reading

Upper Darby Waynesboro West Chester Williamsport Windber

Uniontown

### RHODE ISLAND

York

Newport Pawtucket Providence West Warwick Woonsocket

### SOUTH CAROLINA

Charleston Columbia Florence Greenville

### TENNESSEE

Bristol Chattanooga Memphis Nashville

### **TEXAS**

Abilene
Beaumont
Brownsville
Corpus Christi
Dallas
El Paso
Fort Worth
Galveston
Houston
San Antonio
Waco
Wichita Falls

### UTAH

Ogden Salt Lake City

### VERMONT

Bennington Burlington Newport St. Johnsbury

### VIRGINIA

Charlottesville
Clifton Forge
Danville
Fredericksburg
Norfolk
Harrisonburg
Hopewell
Lynchburg
Newport News
Petersburg
Portsmouth
Richmond
Roanoke

### WEST VIRGINIA

Elkins Hinton Huntington Parkersburg Weston

### WISCONSIN

Fond du Lac Madison Oshkosh Sheboygan W.T. GRANT CO.
25f 50f and \$100 Department Stores
Known For Values?



